



RECEIVED

FEB 21 2006

ECEJ-TEP

February 15, 2006

Sent via U.S. Mail

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for January 2006 activities - Hecla Mining Company Apex Site (EPA
ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the January 2006 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgyp-ton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", written over a horizontal line.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)



February 15, 2006

MEMORANDUM TO: Paul Glader

COPIES TO: file, distribution

FROM: Chris Gypton

SUBJECT: **Progress Report No. 21 for period ending January 31, 2006; Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

Weather conditions at the site were rainy during the first week of the month, then dry through the remainder. Approximately 0.90 inches of rain fell at the site the week of January 2nd.

The hydro-seeding, as-built surveying and all project punchlist items were completed in the first half of the month. The final inspection of the contractor's work was done on January 17th and the contract closed out the following week. Remaining items related to the overall closure project are closing out the construction manager's contract and assembling the construction completion report.

The first visual inspection, per the long term monitoring plan, was conducted on January 17th by the Project Engineer.

Starting with the March 2006 progress report, this report format will be revised to cover only the long term monitoring activities and the sections related to the cover construction will be omitted. The cost report will be abbreviated to show only the subtotals for the cover construction related work, and a detail section will be added for long term monitoring costs. A final reconciliation of project costs through March 2006 will also be included.

Major Issues

1. BIA demand to have Pond 2 removed from Shivwits' property – This issue is still not resolved, however we completed Phase III with the force majeure provisions in the 7003 order still in effect.

Work Planned for Next Period

1. Close-out construction management contract.
2. Complete compiling data for construction completion report.
3. Long term monitoring, including visual inspection and survey of settlement monuments.

Work in Process

Procure Outside Services

1. No activity - all work in this area is complete.

Procure Materials

1. No activity – all work in this area is complete.

Contractor Submittals

1. No activity – all work in this area is complete.

Seepage Collection System Maintenance

1. No activity – all work in this area is complete.

Phase II Drain/Evaporate Excess Water

1. No activity - all work in this area is complete.

Phase III Final Cover Construction

1. Hydro-seeding of the cover and other disturbed areas within the fence line was completed the week of January 9th.
2. Gila Management started assembling and copying their field records for transmittal to Hecla.

Sampling and Analysis in Period

Material Characterization

1. No activity

Field Tests, Inspections & QA/QC

1. Hughes General Contractors final punchlist items were inspected, and accepted, by Monster Engineering and Hecla Mining on January 17th.
2. The as-built topographic survey was completed on January 4th.
3. The first, baseline, inspection for the long term monitoring program was conducted on January 17th. The planned inspection schedule is monthly until late spring, then every other month until fall, then monthly through winter for FY 2006. Total number of scheduled inspections in 2006 is ten. The inspection frequency in FY 2007 will depend on the FY 2006 observations.
4. The settlement monuments were completed on January 4th. Settlement monitoring will commence in mid February. The monuments will be surveyed every month for six consecutive months, then once in August, October and December, however, survey frequency will be evaluated after completion of the first six months. The plan for FY 2007 is to survey the monuments once a quarter. Based on the FY 2006 and 2007 data surveying in FY 2008 may be once a quarter or once in the year. If the data indicated once a year is reasonable then this schedule would be continued through then of the post closure monitoring period in FY 2010. If quarterly surveying in FY 2008 is warranted, the data will be re-evaluated at the end of that year and the schedule for the following year adjusted accordingly.

Cost and Schedule

Committed costs in January 2006 were approximately \$64,500. Total project to date committed is approximately \$1,228,300. Forecast cost at completion is expected to be \$1,214,700, excluding long term monitoring. The forecast includes estimated final credits for contractor extra work claims that did not materialize; refer to the "Remarks" field for additional explanation. These allowances had been carried in the forecast for the last four months.

The cost report for January is attached. Current status of the deliverables listed in the RCRA 7003 order is as follows:

Deliverable	Reference Paragraph	Due	Remarks
Post warning signage around perimeter of site	57	15 days after effective date of order	Work completed on March 9, 2004
Begin implementation of closure plan	63	45 days after receipt of filing of order	Work started on February 23, 2004
Monthly progress reports	64	28th day after close of month	Requirement in effect after order is filed.
Completion report	65	30 days after completion of all closure plan tasks	To be submitted within 30 days after work has been physically completed and all contracts closed out. Follow-up report to be issued after end of monitoring period.

The update of the schedule milestones is on the following table:

Milestone	Target	Actual	Remarks
Issue bid package – Phase I (Sump Drains)	6/14/04	6/15/04	Portion of RFP materials issued at pre-bid on 6/14/04; remainder sent via courier
Issue RFP package – Phase III	6/24/04	6/24/04	
Award contract for Phase I	6/24/04	6/29/04	Date contract was shipped to Hughes
Pre-bid meeting – Phase III	7/19/04	7/19/04	
Start Phase I (Sump Drains) construction	7/12/04	7/19/04	
Start Phase II (Evaporation)	7/19/04	7/29/04	
Receive bids for Phase III	8/2/04	8/2/04	
Re-bid Phase III contract package	April 2005	4/27/05	Date bid package was sent to Hughes
Start Phase III construction	End of August 2005	8/29/05	Start of contractor mobilization
Complete Phase III construction	Dec 23rd 2005	12/23/05	Completion of contract scope of work

Supplemental Attachments

1. January 17, 2006 long term monitoring inspection report, by D. Gibbs P.E.

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 1-31-06	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phase I - Drain Excess Liquid From Tailings							
Test wick program - Nillex		35,000		35,000	0	35,000	
Earthwork during wick test program		2,000		1,768	0	1,768	
Install drainage piping and sumps							
Contractor mobilization/demobilization		5,500		5,500	0	5,500	
Install sumps - material & labor		20,000		24,500	0	24,500	
Build surface evaporation ponds		2,700		838	0	838	
Remove existing evaporation ponds		2,000		0	0	0	Work moved to Phase III
Bury existing pond material & regrade		2,000		0	0	0	Work moved to Phase III
Survey monuments		3,500		1,160	0	1,160	Cost to complete transferred to As-built drawing line item
Subtotal Phase I	188,200	72,700		68,768	0	68,768	
Phase II - Evaporate Excess Liquid							
Operate evaporation & pumping system		8,000		9,585		9,585	FY 2004 work only
Test pits to determine dewatering progress				1,320		1,320	
Upgrade evaporation cells & collection sumps				132,114		132,114	
Dewatering & seepage collection management				104,468	-10,000	94,468	Allowance for dewatering in Oct 05 removed
Subtotal Phase II	6,000	8,000	0	247,467	-10,000	237,467	
Phase III - Regrading & Final Cover System							
Contractor mobilization/demobilization		20,000	18,200	52,428		52,428	
Excavate existing embankment		15,000		160,275	-11,976	148,299	Allowance for potential extra work claim removed.
Final grading of 1% surface		2,500		0		0	incl w/ 12" protection layer
Place barrier layer (GCL) - top		200,000		167,000		167,000	
Place barrier layer (GCL) - outcrops		50,000		0		0	incl w/ GCL cover cost
Excavate diversion channel		8,100		40,000		40,000	
Place 12" protection layer on top surface		19,000	10,925	60,925		60,925	incl \$10,925 price for hydroseeding added to scope
Reconstruct outside embankment		7,350		0		0	incl w/ excavation of existing embankment
Finish grade 1% surface - top		3,000		0		0	incl w/ 12" protection layer
Place surface layer at outcrops (D50 = 1")		4,800		0		0	incl w/ 12" protection layer
Recontour diversion channel for drainage		2,000	24,166	24,166		24,166	incl additional grading in drainage channel added to scope
Place diversion channel erosion protection (3" rock)		3,800		0		0	incl w/ diversion channel exc
Surveying - diversion channel drainage		2,500		0		0	incl w/ diversion channel exc
Remove existing evaporation ponds		0		0		0	incl w/ excavation of existing embankment
Clear site for construction		3,000		7,500		7,500	
Performance & Payment Bond		0		0		0	Requirement waived
Subtotal Phase III	337,000	342,050	54,291	512,292	-11,976	500,316	
Field Indirect Costs							
Construction Management labor		108,360	4,275	248,454	850	247,304	
Construction Management field expenses		38,575	486	56,260		56,260	
Field office trailer		6,525		4,333		4,333	
CQA testing		9,200		930		930	
CQA completion report		5,000		0	5,000	5,000	
Survey and layout		2,208	1,335	3,975		3,975	
Material classification tests		1,500		5,762		5,762	
Consulting Engineer		42,200	2,260	54,998		54,998	
Subtotal Consultants	164,500	213,568	8,356	372,710	5,850	378,560	
Hecia Costs							
Labor	15,500	15,500	1,254	23,066	1,800	24,866	
Travel expenses	3,200	3,200	629	4,026	850	4,876	
Subtotal Hecia Costs	18,700	18,700	1,883	27,092	2,650	29,742	
Total Pond 2 Final Closure	716,400	656,018	64,530	1,228,346	-13,676	1,214,670	

Annual Site Inspection Summary Sheet - Apex Site - Pond 2

Hecia Mining Company - Long-Term Maintenance and Monitoring Plan

Form 1 of 4 - Summary

Date: <u>TUESDAY, JAN. 17TH, 2006</u>		Inspector: <u>D. GIBBS</u>		
Recent Weather / Precip.: <u>COOL, DRY, BREEZY</u>		Approximate Temperature: <u>30° - 40°</u>		
Cover System Component	Potential Problem	Allowable Limits	Limits Potentially Exceeded	
Site Perimeter	Erosion or Fencing Issues	NA	NA	
Cover System (outslopes, top, rock)	Subsidence	Minor: ponding < 1" some gullying / erosion	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>	
		Significant: see Table 2	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>	
	Embankment Slope Stability	excessive movement or surface cracks > than 1"	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>	
	Gullying	on top	depth > 1"	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
		at embankment crest or on outslope	depth > 2"	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
		w/in normal flow channel in diversion channel	no gullying allowed	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
		w/in diversions at toe of impoundment outslope	no gullying allowed	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
		in diversion channel at any other location	NA	NA
	Erosion Protection Stability	rock subsiding or missing	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>	
Seepage	no colored seepage allowed (red, blue, yellow w/ crystallization)	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>		
Runoff Control System	Diversion Channel	rock in place, channel not moving, fence stable	Yes <input checked="" type="checkbox"/> * No <input type="checkbox"/>	
	Diversion Swales	rock in place, no silting in or head cutting	Yes <input checked="" type="checkbox"/> * No <input type="checkbox"/>	
	Excessive silt build up at fence lines in diversion channel	allowed if not effecting cover system	Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>	

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecia Mining Company - Long-Term Maintenance and Monitoring Plan

Form 2 of 4 - Site Perimeter

Inspection Date:	<u>1/17/2006</u>	Inspector:	<u>D. GIBBS</u>
Visible Outlying Areas			
Observed Condition:	<u>ALL LOOKED VERY GOOD. CULVERT OR IMPROVED DRAINAGE NEEDED ON DMG PROPERTY TO WEST OF GATE. NOT ON HECIA PROPERTY.</u>		
Observed Damage:	<u>PONDING OF WATER AT LOCATION NOTED ABOVE.</u>		
May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>			
Property Boundary Fence and Gate (walk fence line)			
Observed Condition:	<u>ALL LOOKED VERY GOOD.</u>		
Observed Damage:	<u>NONE.</u>		
Potential Corrective Actions:	<u>NONE</u>		
May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>			
All Upgradient Areas (areas that drain onto property)			
Observed Condition:	<u>ALL LOOKED GOOD.</u>		
Observed Damage:	<u>NONE</u>		
May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>			

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecia Mining Company - Long-Term Maintenance and Monitoring Plan

Form 3 of 4 - Impoundment

Inspection Date: <u>1/17/2006</u>		Inspector: <u>D. GIBBS</u>	
Outslopes			
Observed Performance:	Rock Cover Subsidence:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Excessive Slope Movement (failure):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Gully Development:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Observable Leachate (colored):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Excessive Siltation (at slope toe):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>WATCH AREA ON N. OUTSLOPE @ TOE OF ROCK. MAY ERODE IN FUTURE.</u>		
Potential Corrective Actions:			
Top (top surface soils)			
Observed Performance:	Cracking (>1" width):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Settlement / Evidence of Ponding:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Erosion / Gullying:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		
Erosion Protection Layer (rock)			
Observed Performance:	Rock Staying in Place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Rock Subsiding:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Missing Rock:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 4 of 4 - Diversion Channel and Swales

Date: <u>1/17/2006</u>		Inspector: <u>D. GIBBS</u>	
Diversion Channel			
Observed Performance:	Erosion Protection in place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Normal Flow Channel in place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Encroaching on Site Fencing:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		
Diversion Swales			
Observed Performance:	Erosion Protection in place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Flow Channel Silting In:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Head Cutting:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		

* Mark all areas of concern or requiring repairs on attached site map.



February 15, 2006

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
P.O. Box 448
Santa Clara, Utah 84765

John Krause
Bureau of Indian Affairs Phoenix Area Office
U.S. Department of Interior
P.O. Box 10
Phoenix, AZ 85001

Kelly Youngbear
BIA Southern Paiute Agency
P.O. Box 720
St. George, UT 84771

RE: Progress report for January 2006 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Youngbear:

Per paragraph 64 of the Order, enclosed is a copy of the January 2006 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", written over a horizontal line.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)



February 15, 2006

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Palute Indian Tribe
P.O. Box 448
Santa Clara, Utah 84765

John Krause
Bureau of Indian Affairs Phoenix Area Office
U.S. Department of Interior
P.O. Box 10
Phoenix, AZ 85001

Kelly Youngbear
BIA Southern Palute Agency
P.O. Box 720
St. George, UT 84771

RE: Progress report for January 2006 activities - Hedra Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Youngbear:

Per paragraph 64 of the Order, enclosed is a copy of the January 2006 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgyp-ton@hedra-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", written over a horizontal line.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)

Annual Site Inspection - Apex Site - Pond 2

Hecia Mining Company - Long-Term Maintenance and Monitoring Plan

Form 4 of 4 - Diversion Channel and Swales

Date: <u>1/17/2006</u>		Inspector: <u>D. GIBBS</u>	
Diversion Channel			
Observed Performance:	Erosion Protection in place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Normal Flow Channel in place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Encroaching on Site Fencing:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		
Diversion Swales			
Observed Performance:	Erosion Protection in place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Flow Channel Silting In:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Head Cutting:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecia Mining Company - Long-Term Maintenance and Monitoring Plan

Form 3 of 4 - Impoundment

Inspection Date: <u>1/17/2006</u>		Inspector: <u>D. GIBBS</u>	
Outslopes			
Observed Performance:	Rock Cover Subsidence:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Excessive Slope Movement (failure):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Gully Development:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Observable Leachate (colored):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Excessive Siltation (at slope toe):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>WATCH AREA ON N. OUTSLOPE @ TOE OF ROCK. MAY ERODE IN FUTURE.</u>		
Potential Corrective Actions:			
Top (top surface soils)			
Observed Performance:	Cracking (>1" width):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Settlement / Evidence of Ponding:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Erosion / Gullying:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		
Erosion Protection Layer (rock)			
Observed Performance:	Rock Staying in Place:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Rock Subsiding:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
	Missing Rock:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>
Observed Damage:	<u>NONE</u>		
Potential Corrective Actions:	<u>NONE</u>		

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 2 of 4 - Site Perimeter

Inspection Date:	<u>1/17/2006</u>	Inspector:	<u>D. GIBBS</u>
Visible Outlying Areas			
Observed Condition:	<u>ALL LOOKED VERY GOOD. CULVERT OR IMPROVED DRAINAGE NEEDED ON DMG PROPERTY TO WEST OF GATE. NOT ON HELLA PROPERTY.</u>		
Observed Damage:	<u>PONDING OF WATER AT LOCATION NOTED ABOVE.</u>		
May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>			
Property Boundary Fence and Gate (walk fence line)			
Observed Condition:	<u>ALL LOOKED VERY GOOD.</u>		
Observed Damage:	<u>NONE.</u>		
Potential Corrective Actions:	<u>NONE</u>		
May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>			
All Upgradient Areas (areas that drain onto property)			
Observed Condition:	<u>ALL LOOKED GOOD.</u>		
Observed Damage:	<u>NONE</u>		
May require repair: Yes <input type="checkbox"/> * No <input checked="" type="checkbox"/>			

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection Summary Sheet - Apex Site - Pond 2

Hecia Mining Company - Long-Term Maintenance and Monitoring Plan

Form 1 of 4 - Summary

Date: <u>TUESDAY, JAN. 17TH, 2006</u>		Inspector: <u>D. GIBBS</u>	
Recent Weather / Precip.: <u>COOL, DRY, BREEZY</u>		Approximate Temperature: <u>30° - 40°</u>	
Cover System Component	Potential Problem	Allowable Limits	Limits Potentially Exceeded
Site Perimeter	Erosion or Fencing Issues	NA	NA
Cover System (outslopes, top, rock)	Subsidence	Minor: ponding < 1" some gulying / erosion	Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
		Significant: see Table 2	Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
	Embankment Slope Stability	excessive movement or surface cracks > than 1"	Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
	Gulying	on top	depth > 1" Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
		at embankment crest or on outslope	depth > 2" Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
		w/in normal flow channel in diversion channel	no gulying allowed Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
		w/in diversions at toe of impoundment outslope	no gulying allowed Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
		in diversion channel at any other location	NA NA
	Erosion Protection Stability	rock subsiding or missing	Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
	Seepage	no colored seepage allowed (red, blue, yellow w/ crystallization)	Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>
Runoff Control System	Diversion Channel	rock in place, channel not moving, fence stable	Yes <input checked="" type="checkbox"/> • No <input type="checkbox"/>
	Diversion Swales	rock in place, no silting in or head cutting	Yes <input checked="" type="checkbox"/> • No <input type="checkbox"/>
	Excessive silt build up at fence lines in diversion channel	allowed if not effecting cover system	Yes <input type="checkbox"/> • No <input checked="" type="checkbox"/>

* Mark all areas of concern or requiring repairs on attached site map.

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 1-31-05	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phase I - Drain Excess Liquid From Tailings							
Test wick program - Nilox		35,000		35,000	0	35,000	
Earthwork during wick test program		2,000		1,788	0	1,788	
Install drainage piping and sumps							
Contractor mobilization/demobilization		5,500		5,500	0	5,500	
Install sumps - material & labor		20,000		24,500	0	24,500	
Build surface evaporation ponds		2,700		838	0	838	
Remove existing evaporation ponds		2,000		0	0	0	Work moved to Phase III
Bury existing pond material & regrade		2,000		0	0	0	Work moved to Phase III
Survey monuments		3,500		1,180	0	1,180	Cost to complete transferred to As-built drawing line item
Subtotal Phase I	188,300	72,700		68,768	0	68,768	
Phase II - Evaporate Excess Liquid							
Operate evaporation & pumping system		8,000		8,585		8,585	FY 2004 work only
Test pits to determine dewatering progress				1,320		1,320	
Upgrade evaporation cells & collection sumps				132,114		132,114	
Dewatering & seepage collection management				104,488	-10,000	94,488	Allowance for dewatering in Oct 05 removed
Subtotal Phase II	8,000	8,000	0	247,487	-10,000	237,487	
Phase III - Regrading & Final Cover System							
Contractor mobilization/demobilization		20,000	18,200	52,428		52,428	
Excavate existing embankment		15,000		180,275	-11,978	148,298	Allowance for potential extra work claim removed.
Final grading of 1% surface		2,500		0		0	Incl w/ 12" protection layer
Place barrier layer (GCL) - top		200,000		187,000		187,000	
Place barrier layer (GCL) - outcrops		50,000		0		0	Incl w/ GCL cover cost
Excavate diversion channel		8,100		40,000		40,000	
Place 12" protection layer on top surface		19,000	10,825	80,825		80,825	Incl \$10,825 price for hydroseeding added to scope
Reconstruct outside embankment		7,350		0		0	Incl w/ excavation of existing embankment
Finish grade 1% surface - top		3,000		0		0	Incl w/ 12" protection layer
Place surface layer at outcrops (D50 = 1")		4,800		0		0	Incl w/ 12" protection layer
Recontour diversion channel for drainage		2,000	24,188	24,188		24,188	Incl additional grading in drainage channel added to scope
Place diversion channel erosion protection (3" rock)		3,800		0		0	Incl w/ diversion channel exc
Surveying - diversion channel drainage		2,500		0		0	Incl w/ diversion channel exc
Remove existing evaporation ponds		0		0		0	Incl w/ excavation of existing embankment
Clear site for construction		3,000		7,500		7,500	
Performance & Payment Bond		0		0		0	Requirement waived
Subtotal Phase III	337,000	342,080	54,291	512,282	-11,978	600,318	
Field Indirect Costs							
Construction Management labor		108,360	4,275	248,454	850	247,304	
Construction Management field expenses		38,575	488	58,260		58,260	
Field office trailer		6,525		4,333		4,333	
CQA testing		9,200		930		930	
CQA completion report		5,000		0	5,000	5,000	
Survey and layout		2,208	1,335	3,975		3,975	
Material classification tests		1,500		5,782		5,782	
Consulting Engineer		42,200	2,280	54,998		54,998	
Subtotal Consultants	184,500	213,688	8,388	372,710	5,850	378,560	
Hecia Costs							
Labor	15,500	15,500	1,254	23,088	1,800	24,888	
Travel expenses	3,200	3,200	629	4,028	650	4,678	
Subtotal Hecia Costs	18,700	18,700	1,883	27,982	2,450	29,442	
Total Pond 2 Final Closure	718,400	685,018	64,530	1,228,348	-13,678	1,214,670	

Supplemental Attachments

1. January 17, 2006 long term monitoring inspection report, by D. Gibbs P.E.

Cost and Schedule

Committed costs in January 2006 were approximately \$64,500. Total project to date committed is approximately \$1,228,300. Forecast cost at completion is expected to be \$1,214,700, excluding long term monitoring. The forecast includes estimated final credits for contractor extra work claims that did not materialize; refer to the "Remarks" field for additional explanation. These allowances had been carried in the forecast for the last four months.

The cost report for January is attached. Current status of the deliverables listed in the RCRA 7003 order is as follows:

Deliverable	Reference Paragraph	Due	Remarks
Post warning signage around perimeter of site	57	15 days after effective date of order	Work completed on March 9, 2004
Begin implementation of closure plan	63	45 days after receipt of filing of order	Work started on February 23, 2004
Monthly progress reports	64	28 th day after close of month	Requirement in effect after order is filed.
Completion report	65	30 days after completion of all closure plan tasks	To be submitted within 30 days after work has been physically completed and all contracts closed out. Follow-up report to be issued after end of monitoring period.

The update of the schedule milestones is on the following table:

Milestone	Target	Actual	Remarks
Issue bid package – Phase I (Sump Drains)	6/14/04	6/15/04	Portion of RFP materials issued at pre-bid on 6/14/04; remainder sent via courier
Issue RFP package – Phase III	6/24/04	6/24/04	
Award contract for Phase I	6/24/04	6/29/04	Date contract was shipped to Hughes
Pre-bid meeting – Phase III	7/19/04	7/19/04	
Start Phase I (Sump Drains) construction	7/12/04	7/19/04	
Start Phase II (Evaporation)	7/19/04	7/29/04	
Receive bids for Phase III	8/2/04	8/2/04	
Re-bid Phase III contract package	April 2005	4/27/05	Date bid package was sent to Hughes
Start Phase III construction	End of August 2005	8/29/05	Start of contractor mobilization
Complete Phase III construction	Dec 23rd 2005	12/23/05	Completion of contract scope of work

Field Tests, Inspections & QA/QC

1. Hughes General Contractors final punchlist items were inspected, and accepted, by Monster Engineering and Hecla Mining on January 17th.
2. The as-built topographic survey was completed on January 4th.
3. The first, baseline, inspection for the long term monitoring program was conducted on January 17th. The planned inspection schedule is monthly until late spring, then every other month until fall, then monthly through winter for FY 2006. Total number of scheduled inspections in 2006 is ten. The inspection frequency in FY 2007 will depend on the FY 2006 observations.
4. The settlement monuments were completed on January 4th. Settlement monitoring will commence in mid February. The monuments will be surveyed every month for six consecutive months, then once in August, October and December, however, survey frequency will be evaluated after completion of the first six months. The plan for FY 2007 is to survey the monuments once a quarter. Based on the FY 2006 and 2007 data surveying in FY 2008 may be once a quarter or once in the year. If the data indicated once a year is reasonable then this schedule would be continued through then of the post closure monitoring period in FY 2010. If quarterly surveying in FY 2008 is warranted, the data will be re-evaluated at the end of that year and the schedule for the following year adjusted accordingly.

Major Issues

1. BIA demand to have Pond 2 removed from Shivwits' property – This issue is still not resolved, however we completed Phase III with the force majeure provisions in the 7003 order still in effect.

Work Planned for Next Period

1. Close-out construction management contract.
2. Complete compiling data for construction completion report.
3. Long term monitoring, including visual inspection and survey of settlement monuments.

Work in Process

Procure Outside Services

1. No activity - all work in this area is complete.

Procure Materials

1. No activity – all work in this area is complete.

Contractor Submittals

1. No activity – all work in this area is complete.

Seepage Collection System Maintenance

1. No activity – all work in this area is complete.

Phase II Drain/Evaporate Excess Water

1. No activity - all work in this area is complete.

Phase III Final Cover Construction

1. Hydro-seeding of the cover and other disturbed areas within the fence line was completed the week of January 9th.
2. Gila Management started assembling and copying their field records for transmittal to Hecla.

Sampling and Analysis in Period

Material Characterization

1. No activity



February 15, 2006

MEMORANDUM TO: Paul Glader
COPIES TO: file, distribution
FROM: Chris Gypton
SUBJECT: **Progress Report No. 21 for period ending January 31, 2006; Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

Weather conditions at the site were rainy during the first week of the month, then dry through the remainder. Approximately 0.90 inches of rain fell at the site the week of January 2nd.

The hydro-seeding, as-built surveying and all project punchlist items were completed in the first half of the month. The final inspection of the contractor's work was done on January 17th and the contract closed out the following week. Remaining items related to the overall closure project are closing out the construction manager's contract and assembling the construction completion report.

The first visual inspection, per the long term monitoring plan, was conducted on January 17th by the Project Engineer.

Starting with the March 2006 progress report, this report format will be revised to cover only the long term monitoring activities and the sections related to the cover construction will be omitted. The cost report will be abbreviated to show only the subtotals for the cover construction related work, and a detail section will be added for long term monitoring costs. A final reconciliation of project costs through March 2006 will also be included.



RECEIVED

FEB 21 2006

ECEJ-TEP

February 15, 2006

Sent via U.S. Mail

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for January 2006 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the January 2006 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", with a long, sweeping horizontal line extending to the right.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)